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August 3, 2000

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Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
360 James Robertson Parkway
Nashville, TN 37201

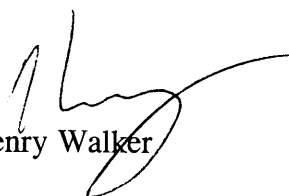
Re: Tariff Filings by all Telephone Companies Regarding Reclassification of
Pay Telephone Service as Required by FCC Order 96-439
Docket No. 97-00409

Dear Mr. Waddell:

Please accept for filing the original and thirteen copies of Tennessee Payphone
Owners Association's objection to the Hearing Officer's Order dated July 31, 2000 in the above-
captioned proceeding.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: 
Henry Walker

HW/nl
Enclosure
c: Parties

POSTED
7-8-00

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

**IN RE: ALL TELEPHONE COMPANIES TARIFF FILINGS REGARDING
RECLASSIFICATION OF PAY TELEPHONE SERVICE AS REQUIRED BY
FCC DOCKET 96-128
Docket No. 97-00409**

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**OBJECTION OF TENNESSEE PAYPHONE OWNERS ASSOCIATION OF THE
HEARING OFFICER'S ORDER OF JULY 31, 2000**

On July 31, 2000, Hearing Officer Lyn Greer issued an Order in the above-captioned proceeding. On August 1, 2000, the Tennessee Regulatory Authority ("TRA") announced that any objections to the Hearing Officer's report would be considered by the Authority at its next, regularly scheduled conference on August 15, 2000.

The Tennessee Payphone Owners Association ("TPOA") respectfully disagrees with the Hearing Officer's decision to classify TDS Telecom among the state's "small" local exchange carriers, rather than with the large carrier for purposes of establishing cost-based payphone rates. TPOA has no objections, however, to the other findings and conclusions of the Hearing Officer.

Argument

Reaffirming a decision of the Authority in 1997, the Hearing Officer has decided to maintain two, separate dockets for the purpose of fixing cost-based rates for payphone access lines. One docket (97-00409) will address payphone rates for the three local exchange carriers now operating under a price cap plan: BellSouth, United Telephone Southeast, and Citizens. The other docket (97-01181) will fix rates for the remaining, and generally smaller, LECs.

TPOA does not object to the Hearing Officer's decision to maintain two, separate dockets. TPOA asks, however, that TDS Telecom, be moved from the "small" LEC docket to the "large" LEC proceeding.

Although TDS consists of four, separate LECs, it is treated by the TRA as one company for ratemaking purposes. As one company, it is the third largest local telephone company in the state, slightly larger than Citizens and almost three times larger than Millington, the fifth largest carrier. The largest TDS affiliate in the state is Tennessee Telephone which, standing alone, is the state's fourth largest carrier and serves rapidly growing suburban areas south and east of Nashville. Another affiliate, Concord, serves a similar suburban area near Knoxville.

For purposes of this docket, there is no reason to treat Citizens differently than TDS. The fact that Citizens is under price cap regulation and TDS remains under rate-base regulation has nothing to do with fixing cost-based payphone rates. Moreover, although the "expense of preparing and producing cost studies" might be a burden for small LECs like Loretto, there is no reason to believe that such filings would be more of a burden for TDS than for Citizens. Finally, it should be noted that the payphone line rates currently charged by Tennessee Telephone are exorbitantly high, as much as \$100 per month for a single "POTS" type line. Rates that appear so clearly inconsistent with federal law should not be tolerated any longer than necessary, especially in an economically thriving area where payphone competition could be, and ought to be, booming.

Therefore, TPOA asks that TDS be moved into docket 97-00409 along with BellSouth, United, and Citizens. A proceeding involving those four companies would encompass

97% of all local access lines in the state, including virtually every service area where competitive payphones are presently located.

The TPOA does not object to any other aspect of the Hearing Officer's July 31 Order.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that on August 3, 2000 a copy of the foregoing document was served on the parties of record, via U.S. Mail, addressed as follows:

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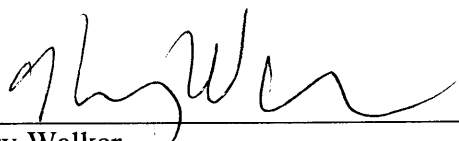
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